CASE STUDIES

Leadership in TQM Implementation

Some Case Examples

Mohamed Zairi

Introduction

The leadership issue is frequently mentioned as being at the heart of many problems, not just those associated with the implementation of total quality management, but also in guiding organizations with sound strategies for the sustainability of superior competitive performance and long term prosperity.

This article makes some general points about leadership from the literature and discusses them in the context of seven organizational case studies and research on Baldrige Award applicants in the USA (A University of Chicago research project).

Strong leadership can perhaps be more associated with "soft issues" such as providing vision, direction and particularly with the ability of sharing, generating commitment, involving others and creating levels of synergy, consensus, congruence and enlightenment. Strong leadership has to be measured in situational and transformational terms. It is about reacting to adverse situations with wisdom, courage and object but also is about vision, risk taking and seeking success and advancement. Style, therefore, is dynamic and changes according to circumstances:

> The kind of leadership needed in times of crisis or great peril is very different from what is needed in times of stability, peace and prosperity[1].

Leaders can perhaps be compared to theatre directors, without whose contribution the play won't happen. Organizational processes are only the arena, and interpersonal processes represent the actors. Leaders need to identify what the priorities and agendas are for each actor, and have to bring the various people together so that the act is complete[2].

Leaders should not focus on themselves but rather be concerned with developing the vision and defining the mission for their organizations[3]. Leadership represents the general consensus and the level of readiness and focus there is to achieve the mission. This was compared by Stayer[4] with "a flock of geese on the wing". He argues:

> I didn't want an organizational chart with traditional lines and boxes, but a "V" of individuals who knew the common goal, took turns leading, and adjusted their structure to the task at hand. Geese fly in a wedge, for instance, but land in waves. Most important, each individual bird is responsible for its own performance.

Leadership and Management: What Is the Difference?

Kotter[5]argues that leadership and management are different but complementary processes which are both required to steer organizations towards successful competitiveness. He comments:

> Leadership is different from management, but not for reasons most people think. Leadership isn't mystical or mysterious. It has nothing to do with having "charisma" or other exotic personality traits. It is not the province of a chosen few. Nor is leadership necessarily better than management or a replacement of it. Rather, leadership and management are two distinctive and complementary systems of action.

The distinction between leadership and management is perhaps in the fact that the former focuses more on setting the vision and relying on softer skills such as inter-personal skills to communicate the vision and generate commitment and enthusiasm to make it happen. To distinguish between the two, it may be useful to refer to the following definitions:

Leadership means vision, cheerleading, enthusiasm, love, trust, verve, passion, obsession, consistency, the use of symbols, paying attention as illustrated by one's calendar, out-and-out drama (and the management thereof), creating heroes at all levels, coaching, effectively wondering around, and numerous other things[6]

On the other hand, effective management has been compared to "wagon masters of the Westward movement in the last century"[7]:

A wagon master had two jobs. He had to keep the wagons moving toward their destination day after day despite all obstacles. He also had to maintain harmony and a spirit of teamwork among the members of his party and to resolve daily problems before they become divisive. A wagon master's worth was measured by his ability to reach the destination safely and to keep spirits high along the way. He had to do both in order to do either.

Leadership in the Context of TQM

Total quality management (TQM) requires a special type of leadership. In the 1990s productivity is defined in terms of human performance through creativity, problem-solving, teamwork, value adding contributions and a dedication and commitment to continuous improvement. Any effective style of leadership in this context will therefore have to have great impact on behaviour modification and changing people's attitudes.

It is no longer valid nor is it sufficient to rely on structural change or sound investment strategies on capital equipment and pioneering technologies. In the 1990s the challenge lies with leaders' ability to transform in a radical way cultures, attitudes, methods of working and so on. Performance of leaders in a modern context does not just hinge around one or two specific tasks. A recent study of 900 leaders has identified four areas where leaders focus their energies[8]:

● attention through vision;

● meaning through communication;

● trust through positioning; and

● the development of self-through positive self-regard.

Perhaps in the context of TQM what is expected of leaders is more of the doing, being more in touch, more aware and being much more concerned with developing *means* rather than being just concerned with *ends*. Leaders in the context of TQM are more focused on corporate performance rather than just their own. Leadership in the context of TQM is not about power, authority and control, it is more about empowerment, recognition, coaching and developing others.

Nowadays leadership is considered as a *must* for survival. It comes from the level of inspiration, commitment generated and corporate determination to perform. The power of modern leadership is in achieving congruence and getting wider ownership of the ultimate task of satisfying customers and building strong competitiveness. Warren Bennis, an author on leadership, is reported to have commented that:

Whips and chains are no longer an alternative. Leaders must learn to change the nature of power and how it is employed[9]:

The challenge for leaders in the context of introducing change and modem management philosophies such as TQM is best described in the following quotes[9]:

As the power of position continues to erode, corporate leaders are going to resemble not so much captains of ships as candidates running for office. They will face two fundamental tasks: first, to develop and articulate exactly what the company is trying to accomplish, and second, to create an environment in which employees can figure out what needs to be done and then do it well.

Executives who rose in traditional systems often have trouble with both. The quantitative skills that got them to the heights don't help them communicate. And if their intelligence, energy, ambition, and self-confidence are perceived as arrogance, it cuts them off from information, which makes the challenge of empowering the work force even more vexing.

Establishing Best Practice in Leadership
Results of an American Study

This study was conducted by Easton[10] as part of a research grant from the Graduate School of Business, University of Chicago. The work assessed 22 organizations representing a mixture of large and small companies and operating in both manufacturing and service sectors. The sample analysed represented organizations which submitted applications for the Malcolm Baldrige National Quality Award (MBNQA). Although the assessment of each individual company was considered to be subjective (using the MBNQA assessment criteria), the author has had vast experience as an examiner for the MBNQA for a number of years.

The assessment conducted during the study focused on the seven criteria covered by the MBNQA which include:

● leadership;

● information and analysis;

- strategic quality planning;
- human resource development and management;
- management of process quality;
- quality and operational results; and
- customer focus and satisfaction.

For the purpose of this discussion and in the context of this article only the first category will be considered. The major findings from the Easton study[10] have been grouped in terms of *strengths* and *areas for improvement*.

Key Strengths Identified

- Senior management commitment to quality is unwavering and they spend a substantial amount of their time reminding people of the importance of customers and improving quality. In addition, they put in a lot of effort in educating people, speaking in public, face to face contacts with customers, employees and so on.
- Senior management have developed a vision, a set of values to develop a quality culture in their organizations reflected by an obsession with the customer, continuous improvement, teamwork, problem-solving, respect for people, focusing on the process and so on.
- The vision achieving goal congruence in the form of customer understanding and focus and appreciating the importance of internal customers as well.
- Managing quality through a proper structure such as having a quality council, steering groups, and being active in managing quality improvement teams, the development of suggestion schemes and reward and recognition systems.

Areas for Improvement

- Senior managers' primary focus is on short-term strategic goals which tend to be financial in nature and their lack of appreciation of quality measures and improvement measures.
- Senior managers do not take a process-based approach in their decision making and their poor utilization of hard facts and information.
- Senior managers have very limited and poor understanding of TQM and its potential. Except from signing declarations, they devote very little time to making it work within their organizations and have little or no knowledge in defining roles for their subordinates for managing quality.

- Senior managers take a "results-oriented approach" rather than a "process-based approach". They set targets in isolation from the process and expect people to perform and deliver the expected results.
- Poor utilization of data relating to customers, suppliers and employees. As such they have very poor understanding of causes of problems and what causes variability in their organizations.
- Although a structure for quality might be present, senior managers tend to treat quality as a separate activity from the essentials of running a business and therefore can be given a low priority in comparison with activities which can lead to tangible results in the short term.
- Senior management take an "internal focus" rather than streamlining all their operations to meet external customer needs. This notion of "we know best" what the customer wants, means that quality improvements and measurement from the perspective of the end customer do not really take place.

Case Studies: Winners of Prestigious Awards

This section covers various case studies of companies that have won prestigious awards such as the MBNQA and the European Quality Award. In particular the various cases will highlight how leadership is defined, what kind of activities and initiatives are sponsored by senior managers and the level of activity they are involved in. In other words, the purpose of this analysis is really to determine the role of senior managers in TQM implementation.

Zytec Corporation

Zytec Corporation was an MBNQA winner in 1991. It designs and manufactures electronic power supplies, and also repairs them in addition to CRT monitors. It has a large industrial customer base both in the US and overseas and is considered as one of the largest multiple output switching power supply producers in the US. The company was formed in 1984 and has used quality principles since its inception.

Leadership at Zytec:

- Zytec's mission is based on three key words: *quality, service, value:*

   Zytec is a company that competes on value, it provides technical excellence in its products and believes in the importance of execution.

> We believe in a simple form and a lean staff, the importance of people as individuals, and the development of productive employees through training and capital investment.
> We focus on what we know best, thereby making a fair profit on current operations to meet our obligations and perpetuate our continued growth.

- To implement the above vision, Zytec's top management team relied on Deming's 14 points for the management of quality.

- Senior management created a structure for the management of quality, "The Deming Steering Committee", and acted as advisers to various Deming Implementation Teams whose task is to carry out major improvements to key processes.

- The senior management team developed and communicated the quality statement.

- The senior management team developed an approach for goal development, deployment and review based on best practice. This is referred to as the management by planning (MBP) process; it relies on employee involvement and feedback and drives Zytec towards achieving its short, medium and long-term goals.

- The MBP process is considered to be the best tool for communicating the quality mission, goals and objectives throughout the company.

- Senior managers are very active in promoting awareness of quality through training, seminars and open sharing of Zytec's key learnings. They are also active in talking to customers and suppliers and in major benchmarking initiatives.

Wallace Co. Inc.

This company was founded in 1942 and is family owned. It is a major industrial distributor to the US chemical market but also deals with overseas orders. The major market includes refining, chemical and petrochemical industries. It deals with maintenance and repair operations and engineering and construction projects.

Wallace became committed to quality because it has developed strong partnerships with its major customers who have very high standards of quality and who demand adherence to stringent levels of quality in every sense. Wallace won the MBNQA in 1990.

Leadership at Wallace:

- Wallace has established the quality Management Steering Committee (QMSC) which is represented by the senior management team.

- There is whole structure for managing quality which involves every manager and every employee. This structure is based on teamwork and includes, for example, quality improvement process teams, inter-departmental teams and so on.

- All senior managers have received training on TQM and its working.

- Communication on quality takes place through various vehicles such as visits, meetings, newsletters, posters and exhibitions. The major vehicle for communicating the quality message is, however, the mission statement.

- The mission statement is supported by 16 quality strategic objectives (QSOs). These are meant to drive the entire quality process.

Ritz-Carlton Hotel Company

This is a management company which develops and operates luxury hotels. It employs around 12,000 people and has subsidiary products including restaurants and banquets. Quality was introduced in the Ritz in order to set "gold standards" through having distinctive facilities and provide highly personalized services and deliver the best quality food and beverages. The Ritz-Carlton Hotel Company won the MBNQA in 1992.

Leadership at the Ritz-Carlton:

- The senior management team doubles up as the senior quality committee. They personally devise their quality strategy for the whole company.

- Senior management is actively involved in quality assurance and optimizing quality standards.

- The President and CEO communicate the quality vision throughout the organization.

- Quality at the Ritz-Carlton is implemented through the "gold standards" which include:

  - *The credo*: a guide for employees, highlighting that personalized customer satisfaction is the number one priority and also defining the critical characteristics of every product and service.

  - *The three steps of service*: defining activities and decisions related to customer interface.

  - *The Ritz-Carlton basics*: problem-solving process.

– *A motto*: this is to emphasize commitment to serve customers in a warm and genuine manner.

Cadillac Motor Car Company

Cadillac was founded in 1902 and is a division of General Motors (GM). It competes in the luxury end of the car market and manufactures various models of vehicles. Although quality was always an important aspect of managing operations within Cadillac, the real breakthrough came in the mid-1980s through the introduction of simultaneous engineering (SE), parallel-oriented, process-based approach and a culture of work relying on teamwork and problem solving for continuous improvement. Cadillac won the MBNQA in 1990.

Leadership at Cadillac:

● Senior managers are responsible for developing and communicating the vision, values and ways for achieving intended business results.

● Senior managers have been instrumental in the change of work culture to a team-based one and the emphasis on the customer.

● In addition to the overall responsibility of implementing the business planning process (mission ===> strategic objectives ===> business objectives ===> goals ===> action plans) the top management team initiated the development of the mission:

> The mission of the Cadillac Motor Car Company is to engineer, produce and market the world's finest automobiles, known for uncompromised levels of distinctiveness, comfort, convenience and refined performance. Through its people, who are its strength, Cadillac will continuously improve the quality of its products and services to meet or exceed customer expectations and succeed as a profitable business.

● Senior managers review the annual business planning cycle and help set targets for the following years. These targets are then communicated throughout the organization and various group levels are empowered to develop their own specific goals to support the overall corporate targets.

Texas Instruments Defense Systems and Electronics Group (TI-DSEG)

This company is a manufacturer of precision-guided weapons and other advanced defence technology. It is a subsidiary of Texas Instruments Inc. Ninety-five per cent of its annual sales revenue comes from precision-guided weapons, airborne radar systems, infra-red vision equipment, electro-optic systems and electronic warfare systems. TI-DSEG is highly committed to TQM and believes that its quality goals and business goals are one and the same. The commitment to achieve the highest of quality standards can be demonstrated by TI's determination to achieve six-Sigma quality standards (a defect rate of 3.4 per million) by 1995 and to reduce new product development time by 25 per cent each year. TI-DSEG won the MBNQA in 1992.

Leadership at TI-DSEG:

● Senior management communicate the company's quality values and are very active in promoting and supporting TQM implementation, through attending meetings, talking to employees, answering written letters, using management by walk around (MBWA).

● TI evaluates the quality commitment of all its managers through their annual performance reviews.

● TI has a proper structure of deploying quality based on teamwork, quality improvement teams and other team structures.

● TI is very active in promoting quality externally and is a member of research groups on quality issues, benchmarking associations, and is actively helping the transfer of knowledge within the business community it is part of.

National Roads and Motorists Association (NRMA)

This Australian association was founded in 1920 and offers services to all its members on a national basis in the motoring field. It is one of the largest motoring organizations in the world with over two million members and is Australia's largest general insurer. NRMA was the winner of the Australian Quality Award (AQA) in 1992.

Quality within NRMA has evolved over the years. Its commitment to establishing a culture of never ending improvement is expressed in the mission statement:

> To provide road service and a range of quality services for members, at the lowest possible cost consistent with sound financial management.
> To promote the interests of motorists in good roads, safety and consumer protection.

Leadership at NRMA:

● The organizational structure supports the implementation of TQM.

● Each senior manager has direct line responsibility for continuous improvement in a specific area. The role encompasses many

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activities including innovation, problem-solving, monitoring progress, empowering teams to perform, reward and recognize efforts.

● The CEO is instrumental in the communication of company vision and creating a climate aware of the need continuously to improve quality.

● The deployment of quality takes place through the translation of corporate targets into individual unit plans, goals, reviews and action plan development at various levels.

Rank Xerox Limited

Rank Xerox Ltd is part of Rank Xerox Corporation. It is one of Europe's leading high technology companies. Its customer base represents commercial, industrial and public sector-based organizations. They deliver anything from small office copiers, workstations, laser printers, electronic printing systems and colour copiers. The company is represented by 19 operating units.

The implementation of quality at Rank Xerox Ltd started in 1984, gradually moving away from focusing on the product and service, to an obsession with improving processes and delivering value added to the customer base. Now quality drives the business of Rank Xerox and the culture is one of true quality based on thousands of teams working in different areas and using various tools for carrying out the necessary improvements. Rank Xerox Ltd were the first winners of the European Quality Award (EQA) in 1992.

Leadership at Rank Xerox Ltd:

● The senior management team is central to TQM implementation. It developed Rank Xerox's quality policy:

> Rank Xerox is a quality company. Quality is the basic business principle for Rank Xerox.
>   Quality means providing our external and internal customers with innovative products and services that fully satisfy their requirements.
>   Quality improvement is the job of every employee.

● The quality strategy by which the above quality policy is implemented has evolved from being a *goal* to a *strategy* and now into a *process* relevant to all levels within the organization. This is referred to as *leadership through quality*.

● Senior managers lead all training initiatives and on a continuous basis assess the requirements of all employees for continuously improving quality.

● Senior managers are expected to lead by example by using tools and techniques of TQM and taking a process perspective to solve various problems.

● The communication of the quality message tales place through the formal deployment process (*policy deployment process*). The deployment of goals and the generation of commitment takes place through weekly, monthly, quarterly and yearly meetings.

● Rank Xerox uses a quality improvement process and a six-step problem solving process to promote a culture of quality. Review of the culture development takes place through appraisal of individual performances, review of quality progress by looking at results and self-assessment.

● Senior managers reward quality achievements and recognize quality efforts. Recognition is delivered to individuals and groups of people, at departmental, national and international levels.

● Senior managers ensure that quality implementation is adequately resourced through networks, senior appointments and funding.

● Senior managers actively encourage the involvement of customers and suppliers in the quality effort.

● Senior managers promote quality outside Rank Xerox within professional associations, local community, attendance at conferences and seminars, and by writing books and articles.

Key Ingredients for Effective Quality Leadership

The discussion in this article, whether from the review of the literature or the case studies, indicates that leadership requirements for the 1990s are to a large extent different from those in the past. There are areas in which traditionally leaders tended not to be involved in but are now required to do so; in addition and in terms of style, leaders in the context of TQM for instance are expected to have more of a "hands on" role and have, in addition to their brilliance at financial skills and strategic skills, to be good communicators and efficient at inter-personal contacts.

Based on the analysis of the case studies and Easton's[10] review, the following are perhaps areas where leaders need to focus the core of their activities; they could be the pre-determinants of

their effectiveness and could be used as a measure of their performance.

Setting the Vision and the Strategic Choice

Leaders in any organization will be expected to develop the vision of their organization reflecting aspirations for the short term, medium term and long term. A healthy mix will ensure that performance delivers in different ways and at different periods of time.

Communicating the Vision, Generating Corporate Commitment

Leaders can only be considered to be effective once they have shared their vision with all employees. Many efforts which result in excellent blueprints fail because they remain as "theory" and do not get shared and communicated effectively. The communication of the vision has to be based on a sound framework which reaches everyone in the organization and which encourages discussion, feedback and involvement. This is very critical since TQM's workings are more or less from a bottom-up approach and unless there is corporate ownership, no performance will ensue.

Developing a Process-based Culture

Part of a leader's role in a modern business context is to change the culture of the organization. One of the essential requirements of TQM is to focus more on the process and less on the individual. It is to organize work so that there is an inter-connectedness between the various roles and appreciation of everyone's efforts since what is delivered to the end customer is a team-based effort. Processes represent the capability of the organization to meet customer requirements both in the short term and the long term. The capability to deliver is not dependent on any specific function and has to rely on all the various contributions. Traditional structural approaches do not support the process-based view. Leaders in the context of TQM, will, therefore, have to have a team-based structure which cuts across all the functions and boundaries and which will appreciate all the various contributions.

Recognition of People as Assets

One of the premises of TQM is that people are the most important asset for achieving high standards of competitive performance. This recognition has to be supported by:

● investment in training and employee development;

● involvement, participation in decision making;

● setting goals and targets;

● participation in team projects;

● creativity and innovation encouragement; and

● reward and recognition.

Performance Management

Leaders in a modern business context have to realize that performance is not solely measured in terms of financial *results* (short term) but efforts have to be measured in terms of strengthening the *processes*, building capability for future demands and ensuring that there is a high level of consistency and confidence in satisfying customer requirements time and time again (long term).

Performance reviews therefore have to take place at various levels and at different intervals in time. This will reflect wider ownership and will indicate that the notion of control is focused on the process rather than the individual.

Developing Partnerships

It is widely recognized that modern competitiveness has to rely on building strong partnership with customers and suppliers. Effective leadership will be based on creating a climate of *win-win* through, perhaps, working with fewer suppliers but on a strategic approach which will help deliver benefits for each party. Issues of capability, resources, commitment to continuous improvement, and technical know-how will be taken into consideration when trying to choose partners. Similarly, leaders can be very instrumental in generating customer commitment for agreeing on long-term working relationships. Regular visits, joint projects, additional services, joint exploitation of technological know-how and so on are opportunities which could be effectively exploited for developing partnerships.

External Ambassadors

Leaders have a very important role in promoting their organizations, through PR, seminars, conferences, professional associations, local academic institutions and within the wider community. Networking is absolutely essential in modern competitiveness. Through networking, benchmarking activities can take place, to compare practices, methods and performance, to learn new ways and inject them back in organizations concerned and more importantly networking ensures continuity, perseverance and avoids complacency.

Leaders have a role to play within the community by ensuring that there is social responsibility, a caring attitude and a development

of the community concerned through the creation of jobs and prosperity.

Developing Leadership in the Organization

Effective leadership in a modern business context is taking time and effort to develop others and being humble, kind and generous with comments, advice, information, tips and so on. The following Chinese proverb expresses this last point clearly:

> Of the best leader, when he is gone, they will say: we did it ourselves.

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Mohamed Zairi is Unilever Lecturer in TQM, Bradford University Management Centre, Bradford, UK.